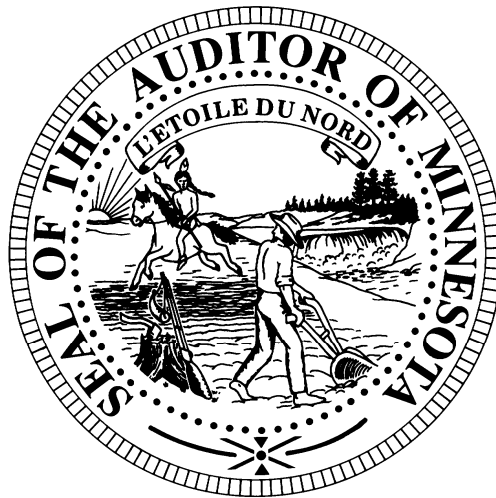


STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

YEAR ENDED DECEMBER 31, 2007

Description of the Office of the State Auditor

The mission of the Office of the State Auditor is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 160 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office currently maintains five divisions:

Audit Practice - conducts financial and legal compliance audits of local governments;

Government Information - collects and analyzes financial information for cities, towns, counties, and special districts;

Legal/Special Investigations - provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

Pension - monitors investment, financial, and actuarial reporting for approximately 730 public pension funds; and

Tax Increment Financing - promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

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**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

Year Ended December 31, 2007



Financial Data Schedule

**Audit Practice Division
Office of the State Auditor
State of Minnesota**

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**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

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REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

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INDEPENDENT AUDITOR'S REPORT

Metropolitan Council of the Twin Cities Area
Saint Paul, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Metropolitan Council, a component unit of the State of Minnesota, as of and for the year ended December 31, 2007, and have issued our report thereon dated June 26, 2008. The financial statements are the responsibility of the Metropolitan Council's management. Our responsibility is to express opinions on the financial statements based on our audit. We did not audit the financial statements of the Metropolitan Sports Facilities Commission component unit as of and for the year ended December 31, 2007. Those financial statements were audited by other auditors.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Metropolitan Council. The accompanying Financial Data Schedule is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development (HUD), Real Estate Assessment Center (REAC), and is not a required part of the basic financial statements. Information on the Financial Data Schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the management and members of the Metropolitan Council and HUD REAC and is not intended to be, and should not be, used by anyone other than those specified parties.

/s/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 26, 2008

**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

**FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007**

Line Item #	Account Description	Section 8 Housing Choice Voucher Program	HUD Shelter Plus Care	Community Development Block Grant
<u>Assets</u>				
Current Assets				
Cash				
111	Cash - unrestricted	9,311,243	18,693	-
112	Cash - restricted - modernization and development	-	-	-
113	Cash - other restricted	6,063,401	-	-
114	Cash - tenant security deposits	-	-	-
115	Cash - restricted for payment of current liability	-	-	-
100	Total cash	15,374,644	18,693	-
Accounts & Notes Receivables				
121	Accounts receivable - PHA projects	113,640	-	-
122	Accounts receivable - HUD other projects	-	21,570	-
124	Accounts receivable - other government	-	-	-
125	Accounts receivable - miscellaneous	69,899	-	-
126	Accounts receivable - tenants - dwelling rents	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-
127	Notes, loans, and mortgages receivable - current	-	-	-
128	Fraud recovery	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-
129	Accrued interest receivable	79,752	164	-
120	Total receivables, net of allowance for doubtful accounts	263,291	21,734	-
Current Investments				
131	Investments - unrestricted	-	-	-
132	Investments - restricted	-	-	-
135	Investments - restricted for payment of current liabilities	-	-	-
142	Prepaid expenses and other assets	-	-	-
143	Inventories	-	-	-
143.1	Allowance for obsolete inventories	-	-	-
144	Interprogram - due from	-	-	-
145	Assets held for sale	-	-	-
150	Total current assets	15,637,935	40,427	-
Noncurrent Assets				
Fixed assets				
161	Land	-	-	480,000
162	Buildings	-	-	-
163	Furniture, equipment, and machinery - dwellings	-	-	-
164	Furniture, equipment, and machinery - administration	-	-	-
165	Leasehold improvements	-	-	-
166	Accumulated depreciation	-	-	-
167	Construction in progress	-	-	-
168	Infrastructure	-	-	-
160	Total fixed assets, net of accumulated depreciation	-	-	480,000

Housing Opportunities for Persons With AIDS	Public Housing Capital Fund Program	Low Rent Public Housing	State/Local Programs	Other Federal Programs	Total
2,758	-	1,679,043	801,047	-	11,812,784
-	-	-	-	-	-
-	-	-	-	-	6,063,401
-	-	-	-	-	-
2,758	-	1,679,043	801,047	-	17,876,185
-	-	-	-	-	113,640
127,923	-	-	-	-	149,493
-	-	-	699,101	-	699,101
-	-	21,792	-	-	69,899
-	-	-	-	-	21,792
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	7,821	-	-	87,737
127,923	-	29,613	699,101	-	1,141,662
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,206	115,000	-	117,206
-	-	-	-	-	-
130,681	-	1,710,862	1,615,148	-	19,135,053
-	-	5,925,831	-	-	6,405,831
-	-	21,366,752	-	-	21,366,752
-	-	-	-	-	-
-	-	99,998	-	-	99,998
-	-	-	-	-	-
-	-	(5,341,852)	-	-	(5,341,852)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	22,050,729	-	-	22,530,729

**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

**FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007**

(Continued)

Line Item #	Account Description	Section 8 Housing Choice Voucher Program	HUD Shelter Plus Care	Community Development Block Grant
<u>Assets</u> (Continued)				
Other Noncurrent Assets				
171	Notes, loans and mortgages receivable - noncurrent	-	-	-
172	Notes, loans and mortgages receivable - noncurrent - past due	-	-	-
173	Grants receivable - noncurrent	-	-	-
174	Other assets	-	-	-
176	Investments in joint ventures	-	-	-
180	Total noncurrent assets	-	-	480,000
190	Total Assets	15,637,935	40,427	480,000
<u>Liabilities and Equity</u>				
Liabilities				
Current liabilities				
311	Bank overdraft	-	-	-
312	Accounts payable < 90 days	6,112,783	11,621	-
313	Accounts payable > 90 days past due	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-
322	Accrued compensated absences - current portion	-	-	-
324	Accrued contingency liability	-	-	-
325	Accrued interest payable	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-
332	Accounts payable - PHA projects	-	-	-
333	Accounts payable - other government	-	-	-
341	Tenant security deposits	-	-	-
342	Deferred revenues	-	-	-
343	Current portion of long-term debt - capital projects/ mortgage revenue bonds	-	-	-
344	Current portion of long-term debt - operating borrowings	-	-	-
345	Other current liabilities	-	-	-
346	Accrued liabilities - other	-	-	-
347	Interprogram - due to	-	-	-
348	Loan liability - current	-	-	-
310	Total current liabilities	6,112,783	11,621	-
Noncurrent liabilities				
351	Long-term debt, net of current - capital projects/ mortgage revenue bonds	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-
353	Noncurrent liabilities - other	-	-	-
354	Accrued compensated absences - noncurrent	-	-	-
355	Loan liability - noncurrent	-	-	-
350	Total noncurrent liabilities	-	-	-
300	Total Liabilities	6,112,783	11,621	-

Housing Opportunities for Persons With AIDS	Public Housing Capital Fund Program	Low Rent Public Housing	State/Local Programs	Other Federal Programs	Total
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	22,050,729	-	-	22,530,729
130,681	-	23,761,591	1,615,148	-	41,665,782
-	-	-	-	-	-
-	-	654,471	295,915	-	7,074,790
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
115,000	-	2,206	-	-	117,206
-	-	-	-	-	-
115,000	-	656,677	295,915	-	7,191,996
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,405,000	-	-	1,405,000
-	-	1,405,000	-	-	1,405,000
115,000	-	2,061,677	295,915	-	8,596,996

**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

**FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

Line Item #	Account Description	Section 8 Housing Choice Voucher Program	HUD Shelter Plus Care	Community Development Block Grant
<u>Liabilities and Equity</u> (Continued)				
Equity				
508.1	Invested in capital assets, net of related debt	-	-	480,000
511.1	Restricted net assets	6,063,401	-	-
512	Undesignated fund balance/retained earnings	-	-	-
512.1	Unrestricted net assets	3,461,751	28,806	-
513	Total Equity/Net Assets	9,525,152	28,806	480,000
600	Total Liabilities and Equity/Net Assets	15,637,935	40,427	480,000
Revenue				
703	Net tenant rental revenue	-	-	-
704	Tenant revenue - other	-	-	-
705	Total tenant revenue	-	-	-
706	HUD PHA operating grants	50,991,172	1,591,870	-
706.1	Capital grants	-	-	-
708	Other government grants	-	-	-
711	Investment income - unrestricted	609,191	4,733	-
712	Mortgage interest income	-	-	-
713	Proceeds from disposition of assets held for sale	-	-	-
713.1	Cost of sale of assets	-	-	-
714	Fraud recovery	15,701	-	-
715	Other revenue	133,450	-	-
716	Gain or loss on the sale of fixed assets	-	-	-
720	Investment income - restricted	-	-	-
700	Total Revenue	51,749,514	1,596,603	-

Housing Opportunities for Persons With AIDS	Public Housing Capital Fund Program	Low Rent Public Housing	State/Local Programs	Other Federal Programs	Total
-	-	20,645,729	-	-	21,125,729
-	-	-	-	-	6,063,401
-	-	-	-	-	-
15,681	-	1,054,185	1,319,233	-	5,879,656
15,681	-	21,699,914	1,319,233	-	33,068,786
130,681	-	23,761,591	1,615,148	-	41,665,782
-	-	480,038	-	-	480,038
-	-	-	-	-	-
-	-	480,038	-	-	480,038
392,549	172,806	213,366	-	-	53,361,763
-	-	-	-	-	-
6,356	-	115,905	3,601,251	14,479	3,615,730
-	-	-	83,218	2,174	821,577
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	15,701
-	-	31,543	-	-	164,993
-	-	-	-	-	-
-	-	-	-	-	-
398,905	172,806	840,852	3,684,469	16,653	58,459,802

**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

**FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007**

(Continued)

Line Item #	Account Description	Section 8 Housing Choice Voucher Program	HUD Shelter Plus Care	Community Development Block Grant
Expenses				
Administrative				
911	Administrative salaries	1,070,987	46,272	-
912	Auditing fees	7,328	-	-
913	Outside management fees	947,929	-	-
914	Compensated absences	-	-	-
915	Employee benefit contributions - administrative	-	-	-
916	Other operating - administrative	1,670,401	69,020	-
Tenant services				
921	Tenant services - salaries	-	-	-
922	Relocation costs	-	-	-
923	Employee benefit contributions - tenant services	-	-	-
924	Tenant services - other	-	-	-
Utilities				
931	Water	-	-	-
932	Electricity	-	-	-
933	Gas	-	-	-
934	Fuel	-	-	-
935	Labor	-	-	-
937	Employee benefit contributions - utilities	-	-	-
938	Other utilities expense	-	-	-
Ordinary maintenance and operation				
941	Ordinary maintenance and operations - labor	-	-	-
942	Ordinary maintenance and operations - materials and other	-	-	-
943	Ordinary maintenance and operations - contract costs	-	-	-
945	Employee benefit contributions - ordinary maintenance	-	-	-
Protective services				
951	Protective services - labor	-	-	-
952	Protective services - other contract costs	-	-	-
953	Protective services - other	-	-	-
955	Employee benefit contributions - protective services	-	-	-
General expenses				
961	Insurance premiums	-	-	-
962	Other general expenses	-	-	-
963	Payments in lieu of taxes	-	-	-
964	Bad debt - tenant rents	-	-	-
965	Bad debt - mortgages	-	-	-
966	Bad debt - other	-	-	-
967	Interest expense	178,198	9,326	-
968	Severance expense	-	-	-
969	Total Operating Expenses	3,874,843	124,618	-
970	Excess Operating Revenue Over Operating Expenses	47,874,671	1,471,985	-

Housing Opportunities for Persons With AIDS	Public Housing Capital Fund Program	Low Rent Public Housing	State/Local Programs	Other Federal Programs	Total
8,955	-	110,026	1,264,688	-	2,500,928
-	-	-	-	-	7,328
-	-	166,869	-	-	1,114,798
-	-	-	-	-	-
-	-	-	-	-	-
13,457	-	22,380	(1,122,453)	-	652,805
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	59,758	-	-	59,758
-	-	2,687	-	-	2,687
-	-	1,461	-	-	1,461
-	-	-	-	-	-
-	-	-	-	-	-
-	-	385	185,909	-	186,294
-	-	107,433	-	-	107,433
-	-	52,038	-	-	52,038
-	-	118,447	-	-	118,447
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	108,319	-	-	108,319
-	-	180,020	-	-	180,020
-	-	44,447	-	-	44,447
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,164	-	30,560	(8,723)	856	213,381
-	-	-	-	-	-
25,576	-	1,004,830	319,421	856	5,350,144
373,329	172,806	(163,978)	3,365,048	15,797	53,109,658

**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

**FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007**

(Continued)

Line Item #	Account Description	Section 8 Housing Choice Voucher Program	HUD Shelter Plus Care	Community Development Block Grant
971	Extraordinary maintenance	-	-	-
972	Casualty losses - noncapitalized	-	-	-
973	Housing assistance payments	43,514,763	1,530,728	-
974	Depreciation expense	-	-	-
975	Fraud losses	-	-	-
978	Dwelling units rent expense	-	-	-
900	Total Expenses	47,389,606	1,655,346	-
	Other Financing Sources (Uses)			
1001	Operating transfers in	-	50,000	-
1002	Operating transfers out	-	-	-
1003	Operating transfers from/to primary government	-	-	-
1004	Operating transfers from/to component unit	-	-	-
1007	Extraordinary items, net gain/loss	-	-	-
1008	Special items, net gain/loss	-	-	-
1010	Total Other Financing Sources (Uses)	-	50,000	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	4,359,908	(8,743)	-
	Memo account information			
1103	Beginning equity	5,165,244	37,549	480,000
1104	Prior period adjustments, equity transfers, and correction of errors	-	-	-
1117	Administrative fee equity	3,461,751	-	-
1118	Housing assistance payments equity	6,063,401	-	-
1120	Unit months available	70,620	2,688	-
1121	Number of unit months leased	70,571	2,594	-
	Equity Roll-Forward Check	9,525,152	28,806	480,000

Housing Opportunities for Persons With AIDS	Public Housing Capital Fund Program	Low Rent Public Housing	State/Local Programs	Other Federal Programs	Total
-	-	250,960	-	-	250,960
-	-	-	-	-	-
361,014	-	-	3,354,847	740	48,762,092
-	-	1,069,108	-	-	1,069,108
-	-	-	-	-	-
-	-	-	-	-	-
386,590	-	2,324,898	3,674,268	1,596	55,432,304
-	-	172,806	16,159	-	238,965
-	(172,806)	-	(50,000)	(16,159)	(238,965)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(172,806)	172,806	(33,841)	(16,159)	-
12,315	-	(1,311,240)	(23,640)	(1,102)	3,027,498
3,366	-	23,011,154	1,342,873	1,102	30,041,288
-	-	-	-	-	-
-	-	-	-	-	3,461,751
-	-	-	-	-	6,063,401
612	-	1,800	8,010	2	83,732
585	-	1,706	6,176	2	81,634
15,681	-	21,699,914	1,319,233	-	33,068,786